(c) whether it is also a fact that under the system, producers are always the gainers at the cost of consumers;

(d) whether it is a fact that BICP ignores the stocks of imported and other raw materials;

(e) if so, the reasons thereof; and

(f) what is the approved principle on which rate is taken while working out the prices of bulk drugs and by whom was it approved?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) For working out the Bulk Drug prices, BICP uses the prices of raw materials and other inputs based on the invoices for latest purchase made by the manufacturers. The invoice prices are normally those verified by the investigating officers at the time of spot visit to the plant and these invoices relate to normal purchases for bulk quantities from usual sources.

(b) The usage of the latest prices are for working out the updated normated cost of production for a future pricing period. In the average prices for past 3/6 months is taken, the price would not reflect the latest cost. There is normally a time gap of 3/6 months between the visit to the plant and submission of report or notification of the price by the Ministry. In view of the above the adoption average price for any past period is not relevant.

(c) Since the prices are taken based on actual purchases made by the manufacturers, there is no question of gain by the produce at the cost of consumers.

(d) and (e) In view of the position explained at (b) above, the price of old stocks will not be relevant as the old stocks are likely to be exhausted by the time the prices are notified.

(f) The principle has been adopted by BICP based on financial and accounting propriety, and this is followed in all pricing studies including those for bulk drugs.

Small Scale Units

1183. SHRIMATI RATAN KUMARI: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 3080 given in Rajya Sabha on 19th December, 1991 and state:

(a) whether it is a fact that decision on small scale units exemption from price control was mooted by the then Development Commissioner (PI) even before receipt of Kelkar Committee recommendations in the supplementary report;

(b) when was the Small Scale Units exempted from price control and when was the supplementary report received;

(c) what are the recommendations of Kelkar Committee on this issue;

(d) whether it is a fact that such decision has led to organised sector units creating dummy small scale companies to charge exorbitant prices and also to get away from the responsibility of investing;

(e) if so, what are the names of organised sector units who are operating small scale sector units along with the names of such units; and

(f) what are the names of products introduced by each after the commencement of DPCO, 1987?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a to f) Kelkar Committee was appointed by the Government to identify drugs to be included in Category II under the Drugs (Prices Control) Order, 1987. In so far as exemption from price

control to small scale sector units is concerned, this facility was available to certain categories of Small Scale Sector Units even under DPCO, 1979. The same has been continued with modifications under DPCO, 1987, vide Government Order No. S.O. 924(E) dated 16.10.1987 which was superceded by another Order No. S.O. 719(E) dated 21.7.1988. This order was issued so as to ensure that Organised Sector Units do not take undue advantage of the exemption order announced on 16.10.1987, and the Order *inter alia*, stipulates that Unit/Company availing exemption in violation of this order shall be liable for penal action and to deposit dues to Government with retrospective effect, if any.

A few instances of violation of provisions of exemption Order have come to the notice of the Government. The details are given in the statement.

Statement

Sl. No.	Name of the Companies	Product involved
1	M/s. Novocare	Magadol Tablets.
2	M/s. Celsus	Ibudex Capsules.
3	M/s. Ultim	Proxyvon range of formulations.
4	M/s. Carews	Combiflam Tablets.
5	M/s. Denis Pharmacy	Flagyl Injections.
6	M/s. Stancare	Brustan Tablets.
7	M/s. Vax Institute	Anaflam Tablets.

Background of pricing of Dexona range of formulations

1184. SHRIMATI RATAN KUMARI: Will the PRIME MINISTER be pleased to state:

(a) what were the factors kept in view for determining the price of Dexona range of formulations from 1979 onwards;

(b) whether it is also a fact that the producer has been shielded for over charging of prices by Government;

(c) whether it is also a fact that facts have been presented in a distorted manner;

(d) what are the details of over charging and what is the amount over charged and since when; and

(e) what steps have been taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) There is a set formula and fixed norms both under DPCO, 1979 & 1987 to calculate the prices of formulations. The same have been applied while fixing the prices of Dexona range of formulations under DPCO, 1979 and 1987.

(b) No; Sir.

(c) to (e) M/s. Cadila has claimed that all the prices of Dexona range of formulations fixed by the Government from time to time has been implemented by them. The company have furnished certain details in this regard. In order to verify their